



[3510-16-P]

## **DEPARTMENT OF COMMERCE**

### **United States Patent and Trademark Office**

**[Docket No. PTO-P-2014-0025]**

#### **Request for Comments on Optimum First Action and Total Patent Pendency**

**AGENCY:** United States Patent and Trademark Office, Commerce.

**ACTION:** Request for comments.

**SUMMARY:** The United States Patent and Trademark Office (USPTO) is seeking public input on optimal patent first action and total pendency target levels. The current targets of ten month average first action pendency and twenty month average total pendency were established with stakeholder input in the previous USPTO 2010-2015 Strategic Plan. In the USPTO 2014-2018 Strategic Plan, the USPTO included an initiative to “work with stakeholders to refine long-term pendency goals, while considering requirements of the IP community”. The USPTO recognizes the importance of continually refining and defining optimal pendency to take into consideration the external environment affecting workload inputs, the commitments made to the fee paying public, and the need to ensure a balance between workload, production capacity, and

requirements of the Intellectual Property (IP) community. As a first step in beginning that initiative, the USPTO is seeking public input about IP community's suggestions for optimal patent first action and total pendency target levels.

**DATES:** COMMENT DEADLINE DATE: Written comments must be received on or before [INSERT DATE 60 DAYS AFTER PUBLICATION IN THE FEDERAL REGISTER].

**ADDRESSES:** Comments must be sent by electronic mail message over the Internet addressed to: [patent\\_pendency2014@uspto.gov](mailto:patent_pendency2014@uspto.gov).

**FOR FURTHER INFORMATION CONTACT:** Gregory L. Mills, Office of the Commissioner for Patents, at 571-272-1439.

**SUPPLEMENTARY INFORMATION:** As noted in the new 2014-2018 USPTO Strategic Plan, the USPTO is committed to working with stakeholders to refine long-term patent pendency goals, while considering the need for quality examination and other requirements of the IP community. See <http://www.uspto.gov/about/stratplan/index.jsp>. The purpose of this Request for Comments is to gather stakeholder input on optimal patent pendency levels. This information will be used to help the USPTO plan for patent pendency targets that are optimal for the Office, stakeholders, and the public at large. Reaffirming or refining the optimal pendency levels also will provide the USPTO with targets to use in planning for patent examination staffing levels and other agency resource

requirements. In turn, these resource requirements will inform patent fee levels and revenue estimates during the biennial patent fee review.

The current targets are ten month average first action pendency and twenty month average total pendency which are measures of the timeliness of the examination process. More specifically, average first action pendency, or average first office action pendency, is the average number of months from the patent application filing date until the date a first office action is mailed by the USPTO. This time includes not only the time an application is awaiting a decision by the USPTO, but also any time awaiting a reply from an applicant, for example, their time to submit all parts of their patent application. Average first action pendency is an average for all applications that have a first office action mailed over a three-month period of time.

Average total pendency is the average number of months from the patent application filing date until the date the application either issues as a patent or goes abandoned. This time includes not only the time an application is awaiting action by the USPTO, but also includes any time awaiting a reply from an applicant, for example, including any extensions of time. Average total pendency is an average for all applications that either issue as a patent or go abandoned over a three month period of time. It does not include applications in which a Request for Continued Examination (RCE) has been filed.

The current targets of ten month average first action pendency and twenty month average total pendency were established about five years ago in the USPTO's 2010-2015

Strategic Plan. These targets have guided the USPTO in making significant reductions to pendency over the past four years, specifically: (1) a thirty percent reduction in average first action pendency, from an average first action pendency of 25.7 months in fiscal year (FY) 2010 to the current average first action pendency of 18.1 months; and (2) a twenty percent reduction in average total pendency, from an average total pendency of 35.3 months in FY 2010 to the current average total pendency of 28.1 months.

The USPTO worked closely with stakeholders and responded to their concerns in establishing the targets of ten month first action pendency and twenty month total pendency in the previous 2010-2015 Strategic Plan. These pendency targets were supported by stakeholders when they were announced in 2009 (e.g., the Patent Public Advisory Committee (PPAC) gave its support to these pendency timeframes in their 2009 Annual Report).

In the January 2013 final rule to set and adjust patent fees under the authority provided in section 10 of the Leahy-Smith America Invents Act (AIA) (Pub. L. 112-29, 125 Stat. 284, 316-17 (2011)), the PPAC commented in the Patent Public Advisory Committee Fee Setting Report of September 24, 2012 that it “supports reducing pendency and while the proposed levels are laudable, there is nothing magical about the proposed pendency times,” specifically ten month first action pendency and twenty month total pendency. See Setting and Adjusting Patent Fees, 78 FR 4211, 4244 (January 13, 2013). The PPAC advised that for future years it will be important to reach a properly balanced inventory level of patent applications pending at the USPTO that is appropriate for the workforce

level. See id. Further, the PPAC stated that inventory should be low enough to achieve desired decreased pendency and high enough to accommodate potential fluctuations in application filings, retention of examiners, and changes in RCE filings stemming from the programs being instituted by the USPTO. See id.

The USPTO also currently has available a number of alternative prosecution options designed to reduce pendency including:

- Prioritized Examination (Track One) which allows users to receive a final disposition within an average of 12 months.
- Patent Prosecution Highway, which provides that when claims are determined to be allowable in the Office of First Filing, a corresponding application filed in the Office of Second Filing may be advanced out of turn.
- First Action Interview (FAI) Pilot program, in which an applicant is entitled to a first action interview, upon request, prior to the first Office action on the merits.
- After Final Consideration pilot (AFCP), which authorizes additional time for examiners to search and/or consider responses after final rejection.
- Quick-Path IDS (QPIDs) which eliminates the requirement for processing of a request for continued examination (RCE) with an information disclosure statement (IDS) filed after payment of the issue fee in order for the IDS to be considered by the examiner.

Further details about these programs can be found at the USPTO Patent Application Initiatives Timeline Internet Web site ([http://www.uspto.gov/patents/init\\_events/patapp-initiatives-timeline.jsp](http://www.uspto.gov/patents/init_events/patapp-initiatives-timeline.jsp)). Additionally, the USPTO has a number of different patent

pendency measures displayed on the Data Visualization Dashboard of the USPTO's Internet Web site (<http://www.uspto.gov/dashboards/patents/main.dashxml>).

The public is invited to submit comments on issues related to patent application pendency that they deem relevant. Comment regarding the issues below would be particularly helpful to the USPTO:

1. Are the current targets of ten month average first action patent pendency and twenty month average total patent pendency the right agency strategic targets for the USPTO, stakeholders, and the public at large? If not, what are the appropriate average first action patent pendency and average total patent pendency targets, and what is the supporting rationale for different targets?
2. **Average** first action pendency and **average** total pendency have been the historical measures for many years. Using **average** pendency as the historical measure allows for a range of pendency across all applications in all technology areas. Should the USPTO have first action pendency and total pendency targets be met by nearly all applications (e.g., 90 or 95 percent of applications meeting the pendency target) rather than an **average** first action pendency and total pendency targets? If so, what should the percentage be and why?
3. Using **average** pendency as the historical measure also allows for a range of pendency across different examining units. Should the USPTO consider more

technology level patent pendency targets, for example, at the Technology Center level?

If so, should all the Technology Centers have the same target? If not, please explain why Technology Centers should have different pendency target levels and how they should be determined?

4. The American Inventors Protection Act (AIPA) provides for patent term adjustment for certain examination delays. See Public Law 106-113, 113 Stat. 1501, 1501A-557 through 1501A-560 (1999). The patent term adjustment (PTA) provisions set out examination timeframes, which may result in patent term adjustment if not met. See 35 U.S.C. 154(b)(1)(A) and (b)(1)(B). These examination timeframes are referred to within the USPTO as “14-4-4-4-36” timeframes. The “14” refers to fourteen months to first action. See 35 U.S.C. 154(b)(1)(A)(i). The first “4” refers to four months to respond to an amendment or RCE. See 35 U.S.C. 154(b)(1)(A)(ii). The second “4” refers to four months to act on an application after a Patent Trial and Appeal Board (PTAB) or court decision when allowable claims remain in the application. See 35 U.S.C. 154(b)(1)(A)(iii). The third “4” refers to four months to issue an application after payment of the issue fee. See 35 U.S.C. 154(b)(1)(A)(iv). Finally, the “36” refers to thirty-six-month (or three-year) total pendency. See 35 U.S.C. 154(b)(1)(B). If the USPTO considered using targets tied to these PTA provisions, the measure could differ from the current average pendency target measures in a few notable ways.

First, a target tied to PTA provisions could be based on the percent of applications that were completed within a certain number of months, rather than the average of all applications completed. Should the USPTO consider using a first action pendency target

tied to minimizing the number of applications in which a first action is not mailed within fourteen months?

Second, the PTA provisions include more specific actions by the USPTO in specific timeframes. Should the USPTO also consider using some of the other PTA specific timeframes for their optimal pendency targets?

5. The PPAC has previously suggested the USPTO's goal to reduce first action pendency to ten months may have the unintended consequences of increasing the uncertainty of the patenting process and potentially reducing the quality of patents due to the possibility of "hidden" prior art since patent applications are not published until eighteen months after their filing date. See Setting and Adjusting Patent Fees, 78 FR at 4244-45. This potential of "hidden" prior art mentioned by the PPAC could be exacerbated by changes in the AIA regarding prior art submissions by third parties. See 35 U.S.C. 122(e). In other words, a USPTO policy to encourage completing first office actions too soon after the filing date of an application does not allow for the publication of all pertinent patent prior art and for the appropriate window for third party prior art submissions. Would the benefits of a prompt first Office action outweigh potential concerns of the Office action being issued too quickly?

6. There have been suggestions that many changes are occurring in the IP system, and the USPTO should be cautious at this point in time to avoid going too low in first action pendency. For example:



- a. Some potentially significant case law decisions are pending which may impact large categories of inventions and possibly lead to reduced patent filings.
- b. It has been just over one year since patent fees were adjusted. See Setting and Adjusting Patent Fees, 78 FR 4211 (January 13, 2013). User practices and business decisions based on the adjusted fee levels may not have stabilized yet.
- c. There is a lot of activity in the global IP arena which may impact patent filing activity and IP practices in the United States.

The USPTO welcomes comments on these potential concerns.

- 7. In addition to seeking public input on optimal patent first action and total pendency levels, the USPTO also is interested in knowing if there are other activities where pendency or timeliness should be measured and reported. While the USPTO reports on a number of different patent pendency measures displayed on the Data

Visualization Dashboard of the USPTO's Internet Web site ([www.uspto.gov](http://www.uspto.gov)):

- a. What other metrics should the USPTO consider utilizing to measure pendency or timeliness throughout the examination process?
- b. Specifically regarding RCEs, what other metrics should the USPTO consider utilizing to measure the pendency or timeliness regarding RCEs? Should

these metrics also be considered for other continuing-type applications (i.e., continuation, continuation-in-part, and divisional applications)?

Dated: July 2, 2014.

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Michelle K. Lee,  
Deputy Under Secretary of Commerce for Intellectual Property and  
Deputy Director of the United States Patent and Trademark  
Office.

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